

APPENDIX VII
PROCEDURE FOR ADJUSTING DOLLAR VALUE THRESHOLD
FOR CAPITALIZING EQUIPMENT ASSETS

.01 AUTHORITY

The Board of Public Works has delegated authority to the Department of General Services to increase the threshold for capitalizing equipment assets as high as \$500.00 for non-sensitive items and as high as \$250.00 for sensitive items.

.02 SCOPE

These procedures apply only to capital equipment items under the control of all units of State government which procure supplies under Division II and are required to file an Annual Report of Fixed Assets (see Exhibit 3) with DGS as of June 30 each year.

.03 CRITERIA FOR INCREASING FIXED ASSET CAPITALIZATION THRESHOLD

In order to increase an agency's threshold amount a written request for the increase shall be submitted by the Agency Head or Designee and shall include the following:

- A. Certification by the property officer or his designee that a physical inventory has been taken and reconciled.
- B. A Report of Missing or Stolen State Property (Form DGS-950-8) for any items that were not located during the physical inventory and any outstanding Reports of Missing or Stolen State Property that have not yet been submitted to DGS.
- C. A copy of the Agency's last Legislative Audit Report. Only submit the portion dealing with any inventory exceptions. If there were no inventory citations during the last audit, a statement to that effect shall be include in the letter of request.
- D. A detailed listing of all items which will be removed from the Agency's records as a result of the threshold increase. The listing must provide the description, dollar value of each item, the total number of items and the total dollar value of the items.

.04 POLICY

- A. Each agency is vested with the responsibility for the control, care, maintenance and security of all State property within its organization regardless of its value.

- B. Agencies continue to be accountable for items removed from capital inventory records due to an increase in the capitalization threshold. Such items become non-capital equipment and must be identified as State property.
- C. Disposal of non-capital equipment must be accomplished in accordance with Section IV of the Department of General Services Inventory Control Manual (Revised 7/03).
- D. Reporting of missing and stolen non-capital equipment must be accomplished in accordance with Section V of the Inventory Control Manual.
- E. Refer to Section II.04 of the Inventory Control Manual for procedures regarding inventory controls for non-capital equipment.

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